



CCPA-10

June 10, 1970

This is in reply to your letter of May 27, 1970, concerning the application of Title III, Restriction on Garnishment, of the Consumer Credit Protection Act.

We wish to indicate that section 303(b) of Title III provides that the restriction on garnishment provisions of subsection (a) do not apply in the case of any debt due for any State or Federal tax.

Local School taxes and Municipal occupational taxes would come within this exception. Therefore, all or any part of an individual's disposable earnings may be subjected to garnishment to satisfy a lien arising from the nonpayment of school or municipal occupational taxes.

Enclosed is a copy of Subparts A to C of 29 CFR 870. We are in the process of preparing additional interpretative material and your name has been placed on our mailing list to receive a copy as soon as it is published.

Sincerely,

Robert D. Moran  
Administrator